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Transforming Taxation: Unlocking Efficiency and Resilience Through Digitalization

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Abstract

The digitalization of tax administration aims to improve service efficiency and institutional resilience by leveraging advanced technologies. By integrating digital tools, tax administration processes can be streamlined, reducing errors and enhancing taxpayer compliance. This research is a qualitative descriptive study that relies on secondary data collection. However, the digitalization of tax administration faces several challenges, such as uneven technological infrastructure, internal resistance to change, and cybersecurity threats. This study explores various digitalization initiatives, the challenges encountered during implementation, and the resulting benefits in terms of service optimization and institutional resilience. The findings indicate that digital transformation is a critical step towards achieving a more effective and resilient tax administration system. Therefore, the strategy of implementing tax reform for the digital era is appropriate. This involves increasing taxpayer trust and compliance by enhancing the capacity and integrity of the Directorate General of Taxes. The research also reveals that tax reform faces growing challenges in the digital age. Digitalization is not only a challenge for improving the capabilities and integrity of tax authorities but also for modernizing tax human resource systems and controls. These reforms are essential to building strong institutions capable of navigating the complexities of the digital era.

Keywords

Digitalization; Tax Reform; Strong Institution; Efficiency.

I. Introduction

The most significant advancement today is technological progress, which has a positive impact aimed at promoting equitable national development across all regions of Indonesia. From the Indonesian government's perspective, national development refers to the country's progress. Infrastructure development enables people to enjoy a higher quality of life. A key indicator of a nation's development is not only financial contributions and investments but also progress in areas such as social systems and taxation. National development, especially in the context of Indonesia, is often discussed in relation to Sustainable Development. The Sustainable Development Goals (SDGs) represent Indonesia's commitment to achieving sustainable progress, with one of the key goals being the establishment of strong institutions, as outlined in Goal 16. Resilient institutions are closely tied to reform efforts, which involve both government and individual initiatives to bring about improvements in the structure and functioning of agencies and institutions within the country.

The word reform is always synonymous with change. According to the Big Indonesian Dictionary (KBBI), reform is a form of change carried out radically to bring about improvements in various areas of life, such as politics, economics, society, and most importantly, important areas. Taxation sector[1]. Tax reform has had an important impact on increasing tax revenues as one of the state treasury revenues[2]

1 Maria R.U.D. Tambunan, "Review Reformasi Sistem Perpajakan Di Norwegia: Suatu Pembelajaran Bagi Reformasi Perpajakan Indonesia," *JURNAL PAJAK INDONESIA (Indonesian Tax Review)* 4, no. 1 (2020): 1–13, https://doi.org/10.31092/jpi.v4i1.648.

2 Hannah Dwi Widyaninngsih and Notika Rahmi, "Analisis Penerapan Inovasi Administrasi Perpajakan Dalam Optimalisasi Penerimaan Pajak Di Era Revolusi 4.0," *Jurnal Ilmu Administrasi Publik* 1, no. 4 (2021).

Tax reform is aimed not only at boosting state revenues but also at addressing broader economic objectives. This includes increasing tax rates, reducing the debt-to-GDP ratio, and lowering the national budget deficit (APBN). Sustainable national development requires capital, which is primarily generated through state revenues. To support this goal, the Indonesian parliament passed the Tax Harmonization Law (HPP Law) in 2021 as a means of channeling public aspirations. From an administrative perspective, a closer examination of the HPP Law can address regulatory gaps and align with developments in the current business environment. In the context of tax reform, the HPP Law focuses on enhancing tax compliance through voluntary participation, strengthening the administrative processes of tax collection, and ensuring greater legal certainty within the tax system.[3]

Tax reform in the form of tax system digitalization addresses the rapidly evolving technological landscape. This transformation, led by the Directorate General of Taxes (DJP), aims to modernize tax administration, significantly impacting how tax officers provide services to taxpayers. Initiatives such as e-billing, e-filing, and e-forms on the DJP's online portal exemplify this shift, with plans to implement a Single Sign-On system for taxpayers in the future. The goal of tax digitalization is to streamline administrative processes, making it easier for taxpayers to fulfill their obligations.

The transition to a digital tax system seeks to enhance both efficiency and cost-effectiveness by replacing paper-based formats with digital and online alternatives, such as the electronic filing of tax returns. This shift is a major innovation aimed at improving the quality of service delivery and increasing the effectiveness of monitoring taxpayer compliance. Through real-time access to tax-related services and digital

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[3] Undang-Undang Nomor 7, "Undang-Undang No. 7 Tahun 2021 Tentang Harmonisasi Peraturan Perpajakan (HPP)," *Republik Indonesia* 12, no. November (2021): 1–68.

data via the DJP online platform, taxpayers benefit from more convenient and accessible services.

In tax administration, fairness and balance are crucial, ensuring laws are applied proportionally and harmoniously. This requires maintaining a balance between legal certainty, justice, and utility, guiding institutional resilience in the execution of rights and obligations. The need for tax law reform is essential, not only to create responsive regulations but also to anticipate future challenges. Tax laws must adapt to the current political and legal climate, ensuring they are not merely tools of political propaganda but instead serve to strengthen governance and legal integrity.

II. Method

This study employs a qualitative descriptive approach to explore tax reform through the digitalization of the tax administration system, aimed at enhancing service efficiency and institutional resilience. The primary data sources include relevant literature, government policy documents such as the Tax Harmonization Law, and annual reports from the Directorate General of Taxes. Data collection techniques involve literature review to understand the theoretical framework and previous findings, document analysis to examine existing policies, and interviews with various stakeholders, including tax officials and business owners, to gain insights into their perspectives and experiences regarding the implementation of digitalization. The collected data will be analyzed using content analysis techniques to identify emerging themes and challenges, with triangulation conducted to ensure the validity of the findings. The research results will be presented in a narrative format, highlighting key findings, challenges faced, and recommendations for enhancing the implementation of digitalization in tax administration. As a follow-up, this study will formulate policy recommendations expected to support more effective tax reform in the digital era, thereby increasing taxpayer trust and compliance with the updated tax system.

III. Digital Tax Opportuniries in Indonesia

Online shopping activities in Indonesia have surged since the onset of the Covid-19 pandemic. According to data from McKinsey, 57 percent of Indonesians now engage in digital shopping. In response to this growing trend, the Indonesian government has introduced new policies aimed at addressing tax regulations related to this sector, specifically in the areas of Income Tax and Value Added Tax (VAT). These policies are designed to capture revenue from the expanding digital economy and ensure that the tax system keeps pace with the evolving nature of consumer behavior in online transactions. Opportunities according[4]namely a situation in daily life from morning until late at night. Opportunities can appear in many forms depending on how we look at them. An imperfection can be turned into an opportunity. If related to this theory, currently Indonesia is creating opportunities by making policies to welcome the Digital Economy in Indonesia. Government policy relating to the optimization of tax revenues in terms of tax expansion, namely making additions in terms of new tax objects and subjects[5].

1. Expansion of Income Tax (PPh) Granted the right to tax foreign The income of business actors generated from electronic transactions with Indonesian consumers is now subject to new regulations. The

[4] Redo Alpha Hernando and Dian Wahyudin, "Modernisasi Administraasi Perpajakan Dalam Rangka Optimalisasi Pelayanan Pajak Berbasis Digital," *Jurnal Pajak Vokasi (JUPASI)* 1, no. 2 (2020): 119–25, https://doi.org/10.31334/jupasi.v1i2.819.

[5] Sistem Perpajakan and Perspektif Keadilan, *Determinasi Kepatuhan Umkm Melalui Digitalisasi Kepercayaan Kepada Otoritas Nama : Ni Wayan Asri Yuni Swari Nim*, 2023.

concept of establishing a Permanent Establishment (PE), which was previously based on physical presence, has been updated to the criterion of Significant Economic Presence. The conditions for determining Significant Economic Presence are defined as follows:

a. Gross circulation of consolidated business groups up to a certain amount.
b. Sales in Indonesia up to a certain amount, and/or
c. There are up to a certain number of active digital media users in Indonesia.

This determination cannot be applied due to agreements with other governments aimed at avoiding double taxation and preventing tax evasion. Foreign traders, foreign service providers, and/or foreign electronic system providers (PPMSE) that meet the criteria for significant economic presence are subject to electronic transaction taxes.

2. Expansion of Value Added Tax (VAT)

VAT is essentially a tax on the consumption of goods and services within the Customs area. Therefore, VAT is applicable for the use of Intangible Taxable Goods and Taxable Services from outside the Customs area when consumed within the Customs area, including digital products from abroad used by consumers in Indonesia. To address the inefficiencies of the current reverse charge mechanism, VAT on foreign digital products is implemented by appointing foreign business entities or tax subjects as VAT collectors. This approach is intended to improve the effectiveness of VAT collection.Improving Tax Services and Education is carried out through 3 things, namely:

a) Cooperation and regulations are carried out by integrating tax awareness material in teaching materials and SPADA (online).
b) Literacy, namely through Providing Media Content, Microsite Development, and Publications.

c) Student Affairs/Affairs through Research and Development, Education and Awards.

1) A structured and measurable monitoring model, namely through:
   a) Regional-based extensification based on valid data.
   b) Revenue-based Taxpayer Supervision.
   c) Inspection and Billing as a follow-up to supervision.
2) Tax Reform in terms of Organization, IT and Data-based, namely providing online services, telephone and non-telephone services, as well as a Back End Contact Center in terms of changes to Corporate and Individual Taxpayer data.

In implementing policies related to digital taxation, Indonesia can gather information from countries that have previously implemented similar policies. The United States has presented data regarding the progress of implementing digital-based direct taxes in various countries with the following summary:

Country	Digital Based Direct Tax			
	Tax With holding Cuts	Digital Transaction Tax	Payment for Digital Services	Use of the Platform
Australia			Applied	
Argentina			Applied	
Hong Kong		Applied	Applied	
Hungary			Applied	
India	Applied	Applied		
English			Applied	
Italy			Applied	
Kenya				Applied
Costa Rica				Applied
Malaysia	Applied			
Mexico	Applied			
Pakistan	Applied			

French			Applied	
Slovakia	Applied			
Taiwan	Applied			
Tunis			Applied	
Türkiye	Applied		Applied	
Uruguay				Applied
Vietnamese	Applied			
Greece				Applied
Zimbabwe				Applied

The term Equalization Levy in digital taxation refers to a form of tax that grants the right to tax digital transactions involving foreign tax subjects[6]. From the table, it is evident that there is still significant untapped potential for digital taxation. Examples of digital taxes implemented in various countries include:

1. India imposes an Equalization Levy of 6% on digital advertising payments exceeding INR 100,000 to non-residents. This policy has been in place since February 2016, and it also applies to residents and non-residents with a Permanent Establishment (PE) in India.
2. In Mexico, the government requires the withholding and collection of taxes on digital service payments made to non-residents, such as for downloading films, games, music, and multimedia content.
3. China has implemented a Value Added Tax (VAT) schedule for certain goods sold via e-commerce. For instance, a product may be subject to a 5% VAT over a specific period.
4. Since July 2017, Australia has introduced new laws for the international sale of digital services and products, imposing a 10% e-commerce tax on transactions exceeding 10,000 Australian dollars.

6 Ita Salsalina Lingga, *Perpajakan Di Era Digital*, ed. Endah Purnama Sari Eddy (Zahir Publishing, 2020).

5. South Korea mandates that e-commerce companies register for VAT in the electronic tax service system, with no minimum transaction threshold.
6. Since April 2014, Japan has applied an 8% consumption tax on e-services provided by digital service providers.
7. France levies a 3% tax on the income of digital companies that exceed a certain revenue threshold.

IV. Government Steps on Implementing Tax Digitalization for Taxpayers Compliance

Tax digitalization coincides with broader tax reform efforts. These reforms involve transitioning from manual or paper-based documents to digital or electronic documents. However, the digitization of tax administration was not implemented all at once but rather in stages. For example, e-invoicing in Indonesia was initially introduced on July 1, 2014, for select taxable entrepreneurs (PKPs). The use of e-invoicing was then expanded to include PKPs in Java and Bali on July 1, 2015, and ultimately rolled out nationwide on July 1, 2016.[7].

The convenience offered in digitizing taxation cannot be separated from the maximum performance carried out by the Directorate General of Taxation (DJP). In the process of adopting technology into tax administration, DJP has three strategies which are usually called 3C or Click, Call and Counter [8]. "Click" refers to tax services offered by the Directorate General of Taxes (DGT) that can be

7 Mahdi, "Layanan Pajak Online Kepatuhan, Wajib Pajak, Dan Usaha Kecil Dan Menengah," 2015, 8–15.

8 Nita Rysaka, Choirul Saleh, and Stefanus Pani Rengu, "Penerapan Sistem Elektronik Dalam Pelayanan Perpajakan (Studi Pada Kantor Pelayanan Pajak Pratama Malang Utara)," *Jurusan Administrasi Publik (JAP)* 2, no. 3 (2014): 420–25.

accessed through websites, pages, and applications, allowing taxpayers to fulfill their obligations independently without visiting a tax office or seeking assistance from a tax officer. "Call" indicates that tax services are also available through a 24-hour contact center, known as Tax Kring, which assists taxpayers with issues encountered while using online platforms. "Counter" represents the in-person assistance provided at tax office stands for taxpayers who need offline support. These three strategies work together to enhance the overall tax experience. The advantages of digitizing tax services include simplifying the reporting of tax obligations, easing the payment process, and providing more convenient access to direct consultations with tax officials.

Taxpayers' convenience in fulfilling their obligations can be enhanced through e-reg services, which allow for online NPWP registration, and e-invoice and e-bupot applications, which streamline the creation of tax invoices and withholding receipts in a more efficient and reliable manner. Additionally, the digitalization of taxation improves the ease of paying taxes. For instance, VAT and PPh underpayments are more easily identified because the system is directly integrated with financial institutions, leading to a quicker payment process[9]. Additionally, taxpayers can make payments through digital wallet applications. This method simplifies the payment process by allowing taxpayers to enter the billing code received via e-billing. Another advantage is the ease of consulting directly with a tax officer. This consultation service is useful for applying for various tax facilities, such as when using Net Income Calculation Norms (NPPN), which are commonly utilized by individuals engaged in business or independent work.

Developments in the digital era have influenced not only the emergence of new tax bases but also the modernization of transaction

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9 Vicky Akbar, "Analisis Penggunaan Sistem Elektronik Pajak Terhadap Peningkatan Jumlah Wajib Pajak Orang Pribadi Di KPP Pratama Surabaya Gubeng," *Jurnal Akuntansi Unesa* 1, no. 2 (2013): 12.

methods. Many transactions have transitioned from paper documents to electronic formats. In the realm of taxation, electronic documents facilitate the implementation of tax obligations and rights in a digital manner, with taxpayers using digital signatures. These signatures are applied personally by the taxpayer using an electronic certificate or DJP authorization code. In Indonesia, current tax administration digitization includes systems such as e-invoice, e-registration, e-bupot, e-filing, e-billing, electronic deposit letter (SSE), e-SPT, and web e-invoice.

Seeing the benefits of digitizing taxation, Mimi and Mulyani[10]explained that digitalization of taxation is still unable to strengthen the influence of tax services, audits and supervision on corporate taxpayer compliance. Wahyono[11]shows that the implementation of e-registration, e-filing and e-billing has a significant and positive impact on individual taxpayer compliance. Taxpayers often compare the quality of service they receive with their perceived expectations or desires. If the tax service received is in line with or above the Taxpayer's expectations, then the Taxpayer says that the quality of the tax service is good. On the other hand, if taxpayers receive services that are not in line with their expectations, then taxpayers will say that the tax authorities' service is not good. This is relevant to the Theory of Planned Behavior (TPB), which explains that behavior is formed because of intentions and perceived subjective norms. On

[10] Mimi Yap and Susi Dwi Mulyani, "Pengaruh Pelayanan, Pengawasan Dan Pemeriksaan Pajak Terhadap Kepatuhan Wajib Pajak Badan Yang Dimoderasi Digitalisasi Administrasi Perpajakan," *Jurnal Magister Akuntansi Trisakti* 9, no. 1 (2022): 37–54, https://doi.org/10.25105/jmat.v9i1.10573.

[11] Raisita Agus Wahyono, "Upaya Peningkatan Efektivitas Administrasi Perpajakan Dalam Meminimalisasi Aktivitas Base Erosion and Profit Shifting (Beps) Korporasi Di Indonesia," *ABIS: Accounting and Business Information Systems Journal* 7, no. 1 (2020), https://doi.org/10.22146/abis.v7i1.58827.

research[12]stated that there is an optimal quality of service received by taxpayers, such as the presence of comfortable facilities and infrastructure, the number of tax officers in the integrated services section is adequate, AR is polite, friendly and can establish good communication with taxpayers, the service is carried out quickly and precisely so there will be an increase Taxpayer compliance. Research result[13]stated that Account Representative services have a positive effect on Taxpayer compliance. This research is in accordance with research which also shows that tax services have a positive influence on taxpayer compliance.

The government and the Directorate General of Taxes have introduced digitalization as an innovative approach to streamline and simplify tax services through online platforms, with the goal of enhancing the country's tax collection efforts. This initiative is expected to inspire and motivate potential taxpayers, thereby boosting tax revenues. By making tax payment processes more accessible, digitalization is anticipated to increase taxpayer willingness and compliance in Indonesia. Consequently, this will lead to higher tax revenues and contribute to filling government coffers.

V.Formulation of Ideal Regulations Based on the Principles of Indonesian Taxation

The digitalization of tax administration enhances the efficiency of tax services by providing tax authorities with comprehensive and detailed data on taxpayers. This, in turn, simplifies tax payments and reporting

[12] WIdomoko & Nofryanti, "Pengaruh Kualitas Pelayanan , Pengawasan Dan Konsultasi Oleh Account Representative (Ar) Terhadap Kepatuhan Wajib Pajak (Studi Kasus Pada Kpp Menteng Satu Jakarta Pusat)" 2, no. 01 (2017): 132–46.

[13] *Ibid*

for taxpayers through digital services on the DJP online platform. According to the Technology Acceptance Model, factors influencing the acceptance of technology include its ease of use and usefulness. With user-friendly online tax services, taxpayer compliance is expected to improve. Research by Obert and others indicates that the ease of using e-filing leads to quicker tax reporting and increased compliance. Similar studies show that the implementation of an e-tax system and positive attitudes towards it significantly enhance tax compliance. The ease of using an e-tax system positively affects taxpayer compliance, aligning with the positive impact of tax administration digitalization on compliance.

In line with the government's commitment to transparency and integrity, the Directorate General of Taxes (DGT) and its units are implementing tools and systems to support Good Corporate Governance. These include the DJP Employee Code of Ethics, a Code of Ethics Committee for oversight, collaboration with the Inspectorate General of the Ministry of Finance to enhance supervision, and continuous internal consolidation. Employees at Intermediate Tax Service Offices are selected based on rigorous standards and qualifications. With these reforms, taxpayers are expected to benefit from improved services provided by professional staff, quicker resolution of tax issues ensuring greater legal certainty, and adherence to regulations. Additionally, the Intermediate Tax Service Office will be equipped with modern facilities and infrastructure, fostering the development of contemporary systems and procedures. The focus on Good Corporate Governance aims to enhance the image of the DGT and prevent abuse of authority by tax officials.[14].

[14] Nadya Ramadhani Endrasti and Dewi Prastiwi, "Pengaruh Kompleksitas Sistem Perpajakan Terhadap Kepatuhan Wajib Pajak Orang Pribadi Dengan Gender Sebagai Variabel Moderasi," *Jurnal Analisa Akuntansi Dan Perpajakan* 7, no. 2 (2023).

There are three main targets of modernizing tax administration, namely to increase voluntary taxpayer compliance, increase public trust, and improve the integrity of tax officials.[15]. If the level of taxpayer compliance can be known quantitatively, then this is not the case with the level of public trust and integrity of the tax apparatus which is also the target for achieving modernization of tax administration which shows the success of tax reform. In practice, the government has not been able to find indicators that are able to measure the level of public trust in the tax authorities in particular or in the government in general. This can be seen from the statement by the Ministry of Finance of the Republic of Indonesia (Kemenkeu) which uses indicators of public sector achievement released by the Organization for Economic Cooperation and Development (OECD).[16]to determine the level of public trust in government performance. OECD data shows that the level of public trust in the performance of the Indonesian government is at the highest level compared to other countries, namely 80%. This achievement is far above other developed OECD member countries such as the United States which has a public trust score of 30%, the UK at 31%, Germany at 55%, and France at 28%; as well as above developing countries that are not OECD members such as India which has a public trust score of 78%, Brazil at 26%, and South Africa at 48% (Ministry of Finance of the Republic of Indonesia, 2018).

Trust in government and tax authorities is a critical factor that cannot be measured solely through non-perception data. Research on taxpayer trust often relies on respondents' perceptions, which provide insight into their levels of trust. For example, Ratmono (2014) in the

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15 H Shobri et al., “Strategi Negara-Negara G20 Dalam Mengantisipasi Ancaman Krisis Ekonomi Global Di Indonesia,” *Sinar Dunia: Jurnal …* 1, no. 3 (2022).

16 Kartika Putri Kumalasari dan Nurlita Sukma Alfandia Saparilla Worokinasih, “Basic Research OECD Framework Untuk Menanggulangi Base Erosion Profit Shifting (Studi Komparasi Indonesia Malaysia),” *Jurnal Ilmiah Akuntansi Dan Keuangan* 5, no. 2 (2022): 807–23.

study "Voluntary Tax Compliance Model: The Role of Fines, Procedural Justice, and Trust in Tax Authorities" found that respondents had a moderate level of trust in tax authorities. The study concluded that trust mediates the effects of tax sanctions and procedural policies on taxpayer compliance, meaning that even moderate trust can enhance the effectiveness of these measures.

Similarly, Primasari (2016) in "Factors Influencing Compliance of Individual Taxpayers Who Do Free Work" reported that 72 respondents had low trust in tax authorities and found that trust did not significantly influence compliance. Rahayu (2017) also highlighted that a lack of public trust in tax authorities is a significant issue that needs addressing to foster and sustain taxpayer compliance.

A key target of modernizing tax administration is to enhance the integrity of tax officials. Integrity encompasses honesty, moral principles, justice, and ethical behavior, not just preventing corruption but securing and maintaining public trust. Integrity involves upholding a code of ethics and moral principles, ensuring fairness, simplicity, and transparency in tax administration. Fairness means applying consistent tax rules, simplicity involves making tax regulations and obligations easy to understand and fulfill, and transparency ensures that tax administration processes are clear and reliable for public and business confidence.

Recent corruption cases, such as those involving officials like Gayus Tambunan and Dhana Widyatmika, illustrate significant issues with tax official integrity. Empirical research by Prawirasuta & Setiawan (2016) titled "Integrity as a Moderating Effect of Tax Sanctions and Awareness on Individual Taxpayer Compliance" shows that integrity moderates the influence of taxpayer awareness on compliance. However, descriptive analyses suggest that respondents perceive tax officers as having low integrity, reflecting the broader challenges faced in tax reform implementation.

Overall, the major challenge of tax reform lies in improving the capability and integrity of human resources (HR) within the tax authority. While digitalization and modernization efforts aim to enhance the efficiency of the tax system, they cannot address fundamental issues related to HR. Effective tax reform in the digital era requires strategies to address these HR-related challenges, ensuring that the government can overcome obstacles related to both capability and integrity in tax administration.In accordance with the concept of behavioral accounting, there is a reciprocal influence between human behavior and the accounting system, so that human behavior can be used as a basis for decision making to formulate an accounting system and vice versa, the accounting system can also be the basis for changes in human behavior.[17]. In the digital era, tax reform must address more than just the improvement of administrative systems; it also requires enhancing the HR control system. This involves not only upgrading the quality of human resources but also ensuring effective monitoring of HR work processes. Key aspects of HR quality include the ability to effectively communicate tax system changes and regulations to the public and maintaining high integrity among tax officials. High-quality HR helps taxpayers understand and adapt to new tax regulations, thereby increasing public interest in tax compliance and ultimately boosting tax revenues. Additionally, digital technology should be leveraged to enhance internal controls over HR processes, reducing opportunities for fraud, bribery, corruption, and abuse of authority. This approach promotes greater integrity among tax officials, which in turn builds public trust in both the government and the tax authority. Public trust is crucial for improving tax compliance and increasing state tax revenue.

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[17] "Serial Referensi Modernisasi Dan Perbaikan Kebijakan Administrasi Perpajakan Pemerintah Daerah : Struktur Organisasi Administrasi Serial Referensi Modernisasi Dan Perbaikan Kebijakan," 2021, 9.

If we refer to the theory of justice, then[18]The integrity of tax human resources is the basis for creating distributive justice, where the public feels that various tax policies and processes are implemented by considering equal rights. Public perception of distributive justice will encourage increased taxpayer trust and compliance. Based on the test results by Mimi and Susi Dwi Mulyani, the results showed that tax services had a positive and significant effect on corporate taxpayer compliance. The results of this research are in accordance with research conducted by[19]which states that the quality of Account Representative (AR) service has a positive effect on Taxpayer compliance. The same thing with the research results[20]which examines the effect of Taxpayer compliance on Account Representative services and research[21]explained that Account Representative services have a significant positive influence on Taxpayer compliance and research[22]also shows that tax services have a positive effect on taxpayer compliance. The results of this research are also relevant to the Theory of Planned Behavior (TPB), which explains that behavior is formed because of intentions and perceived subjective norms. Therefore, if taxpayers are satisfied with the quality of service received from the tax authorities, taxpayers will tend to comply more with the implementation of their tax obligations.

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18 Fiqi Andreansyah and Khoirina Farina, "Analisis Pengaruh Insentif Pajak, Sanksi Pajak Dan Pelayanan Pajak Terhadap Kepatuhan Wajib Pajak UMKM," *Jesya* 5, no. 2 (2022), https://doi.org/10.36778/jesya.v5i2.796.

19 Context Pada, Umkm Di, and Kota Medan, "NUSANTARA : Jurnal Ilmu Pengetahuan Sosial PENDEKATAN ORGANIZATIONAL CULTURE DAN TECHNOLOGY" 10, no. 3 (2023): 1422–29.

20 WIdomoko & Nofryanti, *Op.cit.*

21 Mukhamad Furqon Ardiyan Syah, Soesi Idayanti, and M Taufik, "Digitalisasi Perpajakan Sebagai Upaya Potensi Peningkatan Pendapatan Negara," *Jurnal Bisnis Dan Manajemen (JURBISMAN)* 2, no. 1 (2024).

22 Saifudin Saifudin and Maulynda Arifah Rahmawati, "DIGITALISASI ADMINISTRASI PERPAJAKAN: IMPLEMENTASI DI KPP PRATAMA SEMARANG SELATAN," *Jurnal HUMMANSI* 5, no. 2 (2020).

VI. Conclusion

The conclusions from this research are as follows: First, tax reform in the digital era presents significant challenges. The government must address not only the need to enhance the capability and integrity of tax authorities but also the challenge of integrating the changes brought about by digitalization and Industry 4.0. Second, an effective strategy for tax reform involves boosting taxpayer trust and compliance by improving both the capability and integrity of tax authorities. This requires modernizing the tax system and enhancing the HR control system. It is crucial for the government to focus on both system improvements and HR development. Effective HR management will lead to higher-quality tax services, reduce fraud, and build trust and compliance among taxpayers. The research suggests that future studies should examine the impact of digital-era tax reform strategies on taxpayer trust, tax officer integrity, and taxpayer compliance. This could involve collecting primary data through interviews to understand taxpayers' perceptions of the effectiveness of these strategies. Statistical analysis of primary data can further clarify the relationships between these variables.

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